

105 KAR 1:260. Purchase of out-of-state service credit.

RELATES TO: KRS 61.552(17), (18), 26 U.S.C. 415

STATUTORY AUTHORITY: KRS 61.645(9)(e)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 61.552(17) and (18) provide for the purchase of out-of-state service credit for members of the Kentucky Retirement Systems. This administrative regulation sets out the requirements and forms for obtaining credit for this service.

Section 1. Each employee wishing to purchase service credit for out-of-state public service under KRS 61.552(17) and (18) shall request a copy of Form 4140, Certification of Out-of-state Service.

Section 2. (1) The employee shall mail the form to his former employer and retirement plan for completion.

(2) If the employee wishes to purchase hazardous service in CERS, he shall also obtain a copy of the description of his duties in the out-of-state position from his former employer.

(3) The employee shall be responsible for obtaining the information requested on the form regarding the period of out-of-state service.

Section 3. (1) The completed form and job description shall be submitted to the retirement office.

(2) The retirement system shall determine how much service is eligible for purchase under the statute.

Section 4. Service credit shall be eligible for purchase as hazardous duty if the position is the same as or substantially similar to positions for which hazardous duty credit has been approved under KRS 61.592.

Section 5. (1) The retirement system shall notify the employee of the cost of the service which qualifies for purchase.

(2) The cost shall be determined as a delayed contribution payment except that the employee shall pay 100 percent of the total.

(3) The cost shall be based on the employee's age rounded to the nearest year and the employee's estimated current rate of pay, final rate of pay or final compensation, whichever is higher.

(4) Payment by the employee shall be due on the date shown on the notification unless the employee participates in an installment purchase plan as provided under KRS 61.552(16) and 105 KAR 1:150.

Section 6. If the employee's actual rate of pay or final compensation is higher than estimated and results in a difference of \$100 or more in the cost of the service, the employee shall be notified and shall pay the additional cost for the service within thirty (30) days of the date on the notification.

Section 7. (1) If the retirement system determines that the service is not eligible for purchase, the retirement system shall notify the employee of the reasons.

(2) If additional information is needed to make the determination, the employee shall be responsible for obtaining the additional information.

Section 8. Incorporation by Reference. (1) "Form 4140, Certification of Out-of-state Service (Rev. 7/00)" required by the administrative regulation is incorporated by reference.

(2) This material may be inspected, copied or obtained, subject to applicable copyright law, at the Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky

40601-6124, Monday through Friday, 8 a.m. to 4:30 p.m. (19 Ky.R. 1017; Am. 1339; eff. 12-9-92; 21 Ky.R. 1531; eff. 2-8-95; 27 Ky.R. 1053; 1446; eff. 12-21-2000.)